

**Fort Eustis**

**Room Night Demand  
Validation Analysis**

**Prepared by:  
*PKF Consulting***

**April 2000**



April 19, 2000

Mr. Peter Craig  
Director, Army Lodging  
USACFSC  
Business Programs Directorate  
4700 King St., 5<sup>th</sup> Floor  
Alexandria, VA 22302-4404

Dear Mr. Craig:

PKF Consulting has completed its Project Validation Assessment for the lodging requirements at Fort Eustis.

As in all studies of this type, the estimated results are based on competent and efficient marketing and management and presume no significant change in the demand for lodging accommodations from that set forth in this report. The conclusions reached are based upon our present knowledge and information with respect to economic and demographic data, supply and demand factors, and the status of the market at the completion of our fieldwork on March 30, 2000. The terms of our engagement are such that we have no obligation to revise this report or the estimated requirements to reflect events or conditions that occur subsequent to the date of the completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Furthermore, our analysis includes estimates and assumptions based on data and statistics provided by the installation. Since the recommendations are based on estimates and assumptions that are subject to uncertainty and variation, we do not represent them as results that will actually be achieved. This study does not include the possible impact of any land use restriction(s) on the proposed project, except as noted.

This report has been prepared for your use and guidance in assessing the need for the project. We would be pleased to hear from you if we can be of further assistance in the interpretation and application of our findings and conclusions. We extend our appreciation to you, USACFSC, and the personnel at Fort Eustis for the cooperation offered to us during the course of our engagement.

Sincerely,  
**PKF Consulting**

By: \_\_\_\_\_  
Walter C. Williams  
Senior Vice President

## **INTRODUCTION**

PKF Consulting was engaged to conduct a room night demand validation analysis of the Fort Eustis lodging requirements, with a stipulated assumption that the analysis quantifies the lodging inventory to meet 90 percent of the installations core lodging requirement.

The methodology included the following:

- Review and analysis of historical Transportation Inn data including accommodated room nights, SNA's (Statements of non-availability), PCS, LSP (Lodging Success Program) and mix of accommodated demand.
- On-post interviews were conducted with representatives of the NCO Academy, Aviation School, Transportation School and Joint Operations Planning and Execution System (JOPES).
- Review the room night demand analysis prepared by Director of Community Activities (DCA).

PKF Consulting analyzed the data from a demand build-up basis, via the class schedules and TRACS Report from the Army Training Requirement Resources System (ATTRS). This data reflects the actual student load versus the scheduled student load. PKF Consulting interviewed School representatives to determine how their training needs were expected to change in the future, the potential impact of distance learning on class schedules, future projections, and other insights as to how the existing demonstrated demand may change.

PKF Consulting also reviewed and adjusted actual FY99 lodging demand data to determine the core lodging requirement in the most recent fiscal year. This analysis considered the room nights used at the LSP area hotels verified with the SNAs issued by both Central Reservations and the Transportation Inn.

An alternate scenario including Basic NCO classes (BNCOC) lodging needs was also considered, as it would increase the lodging requirement conclusion in this analysis. At present, Lodging does not accommodate BNCOC demand, rather this demand is housed in a facility that is scheduled for future demolition. If this demand sector were to be accommodated by Lodging, then the lodging facility requirement would increase accordingly. As this is a Command decision and instructors indicated that the BNCOC students require housing in the 800 area of the Post in a controlled environment, our conclusions do not include this sector of core lodging requirement. PKF Consulting has, however, presented this requirement in an Addendum to this report.

The Appendix also includes the raw data that was used in this validation assessment.

## **CONCLUSION**

Our research and analysis indicates that approximately 360 lodging units, designed for long-term stay would meet 90 percent of the core lodging requirement at Fort Eustis.

The majority of the lodging demand at Fort Eustis emanates from students attending the four schools previously identified (NCO Academy, Aviation, Transportation and JOPES). PKF Consulting analyzed the data from a class calendar build-up using the actual number of students enrolled (arriving the day before the class begins and leaving the day after) and added an estimate of the other relevant official travel segments such as PCS, Official Visitors, and TDY Civilians. This figure was then adjusted to 90 percent of the core lodging requirement. PKF Consulting also analyzed the FY99 data of occupied room nights plus SNA's, hospital visitors and retirees) also adjusted to 90 percent. Both analyses resulted in a lodging facility requirement between 360 to 365 rooms, which coincides very closely with the post analysis. Therefore, the conclusion of 360 rooms is validated.

The majority of the demand is for long-term stays of 5+ nights, in single occupancy rooms. The average length of stay for students from the NCO Academy, Transportation and Aviation Schools is 50 days. The JOPES student average length of stay is 6 days. Therefore, PKF Consulting recommends that single occupancy long-term stay rooms be programmed for the majority of the rooms at this facility. The student sector represents in excess of 80 percent of the room night needs, the majority of which is for classes in excess of two weeks duration. Therefore we recommend that the lodging requirement include approximately 55 to 60 percent long-term-stay student units, 10 percent full-suites, and 30 to 35 percent standard single occupancy guest rooms. Room night demand is relatively consistent throughout the year, decreasing in the months of January, December and April and peaking in August, October and November.

The 360-unit recommendation should enable the facility to operate at an annual occupancy rate in excess of 75 percent, consistent with historical performance and current Army Lodging standards. It should be noted that historical occupancy levels were influenced by the room configuration of shared baths, requiring same gender assignments, which reduced the flexibility of room assignments and caused some rooms to remain vacant due to the bathroom configuration. Additionally for a period of FY 99, 59 rooms were out-of-order or not available due to renovation.

Interviews with the schools indicate that NCO Academy, Transportation, and Aviation training demand is expected to remain consistent with FY 99 levels. The impact of the 14-day Stand Alone Common Core program, which begins in October 2000 is uncertain at this point as is the quantifiable impact of distance or computer based Internet training on demand levels. The JOPES program began in August 1999 and is expected to increase to 1,800 students, of which 40 percent require accommodations, equating to 4,320 annual room nights by FY01. Our analysis assumes that these two factors in all likelihood will negate one another and all indications are that the FY99 levels will remain constant.

**HISTORICAL ROOM NIGHT ANALYSIS**

The following table presents the accommodated annual room nights at the Transportation Inn during FY98 and FY99.

<b>Transportation Inn, Fort Eustis FY1998</b>			
	<b>Occupied Rooms</b>	<b>Available Rooms (Spaces)</b>	<b>Occupancy</b>
October-97	11,527	17,201	67.0%
November-97	11,821	16,650	71.0%
December-97	7,687	17,201	44.7%
January-98	9,393	17,201	54.6%
February-98	10,482	15,540	67.5%
March-98	12,127	17,081	71.0%
April-98	13,153	16,650	79.0%
May-98	12,400	15,376	80.6%
June-98	12,350	14,480	85.3%
July-98	12,915	15,376	84.0%
August-98	11,224	15,376	73.0%
September-98	10,565	14,880	71.0%
Total	135,644	193,012	70.3%

Note: 435 Rooms including 120 double occupancy units total 555 Available  
May 1998 inventory reduced to 496 spaces. Average daily = 529

<b>Transportation Inn, Fort Eustis FY1999</b>			
	<b>Occupied Rooms</b>	<b>Available Rooms</b>	<b>Occupancy</b>
October-98	10,424	15,376	67.8%
November-98	10,408	14,880	69.9%
December-98	9,777	15,376	63.6%
January-99	12,137	15,376	78.9%
February-99	11,034	13,888	79.4%
March-99	12,194	15,376	79.3%
April-99	11,178	14,880	75.1%
May-99	12,351	15,376	80.3%
June-99	12,870	14,880	86.5%
July-99	14,480	15,376	94.2%
August-99	11,301	15,376	73.5%
September-99	10,581	14,880	71.1%
Total	138,735	181,040	76.6%

Note: 496 average daily spaces

As indicated in the above tables, the available inventory has decreased since May 1998 as 59 rooms in building 2110 were under renovation.

In FY99, the SNA's issued by the Central Reservations Center totaled 1,094 room nights in FY99 and the Transportation Inn issued 6,884 SNA room nights that included the first three quarters of FY 99(October 1998 through July 1999). Annualizing these figures yield 9,355 annual room nights, which is significantly below the LSP room nights.

## **TRAINING DEMAND**

The majority of the training lodging need is from the NCO Academy (ANNCO students only), the Transportation School and the Aviation School. Together these programs generated demand for approximately 116,900 room nights in FY 1999. To a lesser degree, the JOPES program also creates room night demand.

### **JOPES Training**

The JOPES program began in August 1999 and is expected to increase to 1,800 students, of whom 40 percent require accommodations, which equates to 4,320 annual room nights, by FY01.

Interviews with the schools indicate that the NCO Academy, Transportation, and Aviation training demand is expected to remain consistent with FY99 levels. The impact of the 14-day Stand Alone Common Core program, which begins in October 2000 is uncertain at this point due to the regional nature of the training and the ability of a portion of students to commute to classes, as is the quantifiable impact of distance or computer-based Internet training on demand levels. Distance or Internet learning is likely to have an impact on training, but certain technical skills training will most likely need to occur in a classroom or hands-on type environment. The analysis assumes that these two factors in all likelihood will negate one another and all indications are that the FY99 levels will remain constant.

### **Other Demand**

Other demand, or non-training related demand, includes authorized other travel segments and PCS figures, which were calculated at 1,600 PCS moves at ten nights per stay. PKF Consulting analyzed the market segment tracking reports that have been tracked from August 1999 through March 2000 to derive factors for both the Official and Unofficial portion including: Official visitors and TDY Civilians, and authorized but unofficial visitors such as hospital visitors, retirees and unofficial visitors.

## Lodging Assessment

The following details the calculated room night demand of Fort Eustis adjusted for 90 percent of core lodging requirement via the two analytic methods used specifically; demand build-up analysis and adjustment of the historic data.

### Demand Build-up

This method which used the ATRRS TRACS report arrayed the class schedule by day, with the actual student load figures adjusted for lodging requirements the day before and the night of graduation. This analysis yielded 116,900 rounded annual room nights. Adjustments to this figure include JOPES, PCS, Official Visitor and TDY Civilians to derive the Official Visitor lodging demand as demonstrated in the following table. The Unofficial Visitor lodging demand could not be determined using this method.

<b>Demand Segment</b>	<b>Annual Room Nights</b>
Classes (ATTARS)	116,900
JOBES	4,320
PCS	16,000
Official Visitors	1,116
TDY Civilians	7,562
<b>Total</b>	<b>145,898</b>
<b>At 90 Percent</b>	<b>131,308</b>
<b>Lodging Need</b>	<b>360 Available Rooms</b>

### Adjusted Historic Analysis

The adjusted historic analysis calculated the demonstrated demand and excluded the unofficial segments.

<b>Demand Segment</b>	<b>Annual Room Nights</b>
Transportation Inn	138,735
SNAs	9,355
<b>Total</b>	<b>148,090</b>
<b>At 90 Percent</b>	<b>133,281</b>
<b>Lodging Need</b>	<b>365 Available Rooms</b>

## **ADDENDUM**



## **BNCOC REQUIREMENT**

The existing BNCOC facilities consist of 336-bed spaces that are 76 percent occupied. This results in an average daily lodging requirement of 255 beds, which considering that the class schedule is consistent through-out the year except for two weeks in December, yields a 265 space minimum requirement.

## **APPENDIX**